

County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012 (213) 974-1101 http://cao.lacounty.gov

December 11, 2006

Board of Supervisors GLORIA MOLINA First District

YVONNE B. BURKE Second District

ZEV YAROSLAVSKY Third District

DON KNABE Fourth District

MICHAEL D. ANTONOVICH Fifth District

To:

Supervisor Zev Yaroslavsky, Chairman

Supervisor Gloria Molina Supervisor Yvonne B. Burke

Supervisor Don Knabe

Supervisor Michael Antonovich

From:

David E. Janssen

Chief Administrative Office

SACRAMENTO UPDATE

UCLA Economic Forecast

On December 7, 2006, the UCLA Anderson Forecast for the Nation and California was released. It predicts a slowdown in the State's economy but does not predict a recession through the end of the forecast period of 2008.

The forecast indicates that the real estate sector has had a dampening impact upon the economy. However, without a secondary source of weakness there would not appear to be sufficient factors to cause a "full blown recession". Stability in the manufacturing sector and low interest rates will be supporting factors for the State. A substantial reduction in retail spending could increase the risk of recession, however, that is not expected to occur as personal income and sales tax revenues are expected to increase by a little more than two percent on an inflation adjusted basis, through 2008.

Another risk to the State's economy identified by the forecast would be a decline in tax revenues which would increase the pressure to reduce spending or raise taxes. The forecast does not specify how much of a shortfall would be a factor contributing to a recession. While the State currently faces a structural deficit in excess of \$5 billion, it is believed that the impact could be substantially mitigated by a reduction in the discretionary accelerated bond payments planned for FY 2007-08.

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The non-farm payroll is expected to increase by 1.5 percent in 2006, slowing to .5 percent in 2007, with a slight increase to 1 percent in 2008. This would cause the unemployment rate to increase from the current 4.5 percent to 5.2 percent at the end of 2007.

The growth in jobs in the professional and technical services, and leisure and hospitality sector is expected to be good, and while these gains have offset some of the losses in construction jobs, it is unlikely that the increase would be sufficient to significantly boost the State's economy. This is because much of the increase in employment is due to relatively low paying temporary jobs. Similarly, the reduction of 9,000 jobs in the retail sector since last year would not have a major impact on the economy since it is related to the achievement of certain efficiencies rather than to a long term reduction in sales.

New Member Contact Information

On December 4, 2006 the members of the State Legislature were sworn in for the 2007-08 Session. Accordingly, they were assigned to offices by the Rules Committee in each house. The current room assignments for each member of the County delegation in the Assembly and the Senate are listed in the attachment. It should be noted that some member's offices are likely to change in the near future as final committee assignments are made.

We will continue to keep you advised.

DEJ:GK MAL:IGR:hg

Attachment

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants

LOS ANGELES COUNTY DELEGATION CALIFORNIA STATE ASSEMBLY

(Subject to Changes)

The Honorable Anthony Adams California State Assembly State Capitol, Room 4153 Sacramento, CA 95814 Phone: (916) 319-2059 Fax: (916) 319-2159 R--59

The Honorable Richard Alarcon California State Assembly State Capitol, Room 5119 Sacramento, CA 95814 Phone: (916) 319-2039 Fax: (916) 319-2139 D--39

The Honorable Karen Bass California State Assembly State Capitol, Room 319 Sacramento, CA 95814 Phone: (916) 319-2047 Fax: (916) 319-2147 D--47

The Honorable Julia Brownley California State Assembly State Capitol, Room 6011 Sacramento, CA 95814 Phone: (916) 319-2041 Fax: (916) 319-2141 D--41

The Honorable Charles M. Calderon California State Assembly State Capitol, Room 2117 Sacramento, CA 95814 Phone: (916) 319-2058 Fax: (916) 319-2158 D--58 The Honorable Mike Davis California State Assembly State Capitol, Room 2160 Sacramento, CA 95814 Phone: (916) 319-2048 Fax: (916) 319-2148 D--48

The Honorable Hector De La Torre California State Assembly State Capitol, Room 3173 Sacramento, CA 95814 Phone: (916) 319-2050 Fax: (916) 319-2150 D--50

The Honorable Kevin De Leon California State Assembly State Capitol, Room 4140 Sacramento, CA 95814 Phone: (916) 319-2045 Fax: (916) 319-2145 D--45

The Honorable Mervyn M. Dymally California State Assembly State Capitol, Room 6005 Sacramento, CA 95814 Phone: (916) 319-2052 Fax: (916) 319-2152 D--52

The Honorable Mike Eng California State Assembly State Capitol, Room 6025 Sacramento, CA 95814 Phone: (916) 319-2049 Fax: (916) 319-2149 D--49 The Honorable Mike Feuer California State Assembly State Capitol, Room 4005 Sacramento, CA 95814 Phone: (916) 319-2042 Fax: (916) 319-2142 D--42

The Honorable Edward P. Hernandez California State Assembly State Capitol, Room 4112 Sacramento, CA 95814 Phone: (916) 319-2057 Fax: (916) 319-2157 D--57

The Honorable Robert Huff California State Assembly State Capitol, Room 5164 Sacramento, CA 95814 Phone: (916) 319-2060 Fax: (916) 319-2160 R--60

The Honorable Betty Karnette California State Assembly State Capitol, Room 2136 Sacramento, CA 95814 Phone: (916) 319-2054 Fax: (916) 319-2154 D--54

The Honorable Paul Krekorian California State Assembly State Capitol, Room 5135 Sacramento, CA 95814 Phone: (916) 319-2043 Fax: (916) 319-2143 D--43 The Honorable Lloyd E. Levine California State Assembly State Capitol, Room 5136 Sacramento, CA 95814 Phone: (916) 319-2040 Fax: (916) 319-2140 D--40

The Honorable Ted W. Lieu California State Assembly State Capitol, Room 4016 Sacramento, CA 95814 Phone: (916) 319-2053 Fax: (916) 319-2153 D--53

The Honorable Tony Mendoza California State Assembly State Capitol, Room 5144 Sacramento, CA 95814 Phone: (916) 319-2056 Fax: (916) 319-2156 D--56

The Honorable Fabian Nuñez Speaker, California State Assembly State Capitol, Room 219 Sacramento, CA 95814 Phone: (916) 319-2046 Fax: (916) 319-2146 D--46

The Honorable Anthony J. Portantino California State Assembly State Capitol, Room 2003 Sacramento, CA 95814 Phone: (916) 319-2044 Fax: (916) 329-2144 D--44

The Honorable Curren D. Price Jr. California State Assembly State Capitol, Room 2179 Sacramento, CA 95814 Phone: (916) 319-2051 Fax: (916) 319-2151 D--51

The Honorable Laura Richardson California State Assembly State Capitol, Room 3126 Sacramento, CA 95814 Phone: (916) 319-2055 Fax: (916) 319-2155 D--55

The Honorable Sharon Runner California State Assembly State Capitol, Room 6031 Sacramento, CA 95814 Phone: (916) 319-2036 Fax: (916) 319-2136 R--36

The Honorable Cameron Smyth California State Assembly State Capitol, Room 5128 Sacramento, CA 95814 Phone: (916) 319-2038 Fax: (916) 319-2138 R--38

The Honorable Nell Soto California State Assembly State Capitol, Room 3091 Sacramento, CA 95814 Phone: (916) 319-2061 Fax: (916) 319-2161 D--61

The Honorable Audra Strickland California State Assembly State Capitol, Room 4208 Sacramento, CA 95814 Phone: (916) 319-2037 Fax: (916) 319-2137

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LOS ANGELES COUNTY DELEGATION CALIFORNIA STATE SENATE

(Subject to Changes)

The Honorable Ron Calderon California State Senate State Capitol, Room 5080 Sacramento, CA 95814 Phone: (916) 651-4030 Fax: (916) 327-8755 D--30

The Honorable Gil Cedillo California State Senate State Capitol, Room 5100 Sacramento, CA 95814 Phone: (916) 651-4022 Fax: (916) 327-8817 D--22

The Honorable Sheila James Kuehl California State Senate State Capitol, Room 5108 Sacramento, CA 95814 Phone: (916) 651-4023 Fax: (916) 323-2232 D--23

The Honorable Alan Lowenthal California State Senate State Capitol, Room 3048 Sacramento, CA 95814 Phone: (916) 651-4027 Fax: (916) 327-9113 D--27

The Honorable Bob Margett California State Senate State Capitol, Room 3082 Sacramento, CA 95814 Phone: (916) 651-4029 Fax: (916) 324-0922 R--29 The Honorable Tom McClintock California State Senate State Capitol, Room 3070 Sacramento, CA 95814 Phone: (916) 651-4019 Fax: (916) 324-7544 R--19

The Honorable Gloria Negrete McLeod California State Senate State Capitol, Room 4074 Sacramento, CA 95814 Phone: (916) 651-4032 Fax: (916) 445-0128 D--32

The Honorable Jenny Oropeza California State Senate State Capitol, Room 4040 Sacramento, CA 95814 Phone: (916) 651-4028 Fax: (916) 323-6056 D--28

The Honorable Alex Padilla California State Senate State Capitol, Room 4035 Sacramento, CA 95814 Phone: (916) 651-4020 Fax: (916) 327-5703 D--20

The Honorable Mark Ridley-Thomas California State Senate State Capitol, Room 5050 Sacramento, CA 95814 Phone: (916) 651-4026 Fax: (916) 445-8899 D--26 The Honorable Gloria Romero California State Senate State Capitol, Room 313 Sacramento, CA 95814 Phone: (916) 651-4024 Fax: (916) 445-0485 D--24

The Honorable George Runner California State Senate State Capitol, Room 4066 Sacramento, CA 95814 Phone: (916) 651-4017 Fax: (916) 445-4662 R--17

The Honorable Jack Scott California State Senate State Capitol, Room 2082 Sacramento, CA 95814 Phone: (916) 651-4021 Fax: (916) 324-7543 D--21

The Honorable Edward Vincent California State Senate State Capitol, Room 5052 Sacramento, CA 95814 Phone: (916) 651-4025 Fax: (916) 445-3712 D--25